



The Voice of Small Business

**MICHIGAN**

**To:** The Honorable Senator Mike Nofs  
Michigan State Senate

**From:** Charles Owens, State Director  
National Federation of Independent Business

**Date:** July 28, 2015

**RE:** Senate Bill 437 – Amending the Public Service Commission Act – PA 3 of 1939

Dear Senator Nofs:

We are writing concerning your recent introduction of SB 437 that would make amendments to Public Act 3 of 1939 – The Public Service Commission (PSC) Act.

Specifically, we note on page 53 of the bill, line 20, subsection (11) the following change:

20 (11) (5) An electric utility may offer its customers an  
21 appliance service program **AND OTHER VALUE ADDED PROGRAMS AND**  
22 **SERVICES.**

The references to “other value added programs and services” continues through page 57 with language that describes the framework for pursuing these other “products and services”.

This language is a departure from the current law in that it would allow a regulated utility under the supervision of the PSC to expand program offerings beyond the traditional Appliance Service Plan (ASP) into other venues without any specific limitation or restriction. This has been an issue in the past with regard to the Heating Ventilation and Air Conditioning (HVAC) industry and competition from PSC regulated utilities. Even though the bill appears to bring these proposed new activities under the current Code of Conduct restrictions that apply in the ASP program, it is still likely that a regulated utility (with the advantage of sizable assets and income streams from a captive rate payer base) would pose serious unfair competitive pressures in any industry or market segment it chooses to engage.

Small businesses face unfair competition from a number of sources such as universities and colleges, non-profit organizations, government at all levels, and utilities that arrived at their monopoly position in a market by government policy. The ability to use rate payer subsidized assets to compete unfairly with small and independent businesses is a real concern and we would request an opportunity to discuss this further with your office.

Thank you for your consideration.